



STATE OF MISSISSIPPI
Phil Bryant, Governor
DEPARTMENT OF CHILD PROTECTION SERVICES
Jess H. Dickinson, Commissioner

February 6, 2018

The Honorable Eugene S. (Buck) Clarke, Chairman
Senate Appropriations Committee
214-D New Capitol
Jackson, MS 39201

The Honorable John Read, Chairman
House Appropriations Committee
201-C New Capitol
Jackson, MS 39201

Dear Gentlemen:

The Department of Child Protection Services requests a \$12 million general fund deficit appropriation. As you know, when I began my tenure as Commissioner of the Department of Child Protection Services on September 18, 2017, I discovered additional funding would be required to fulfill the needs of the agency. We have a plan in place to make up for much of the needed funding through cost allocation with the Department of Human Services, but additional funds are still necessary to maintain our obligations this fiscal year.

MDCPS's FY-2017 and FY-2018 budget requests significantly overestimated the federal funds that would be available to support its operations. At the same, MDCPS attempted to achieve full independence in its back-office functions and experienced problems with its internal budgeting. The result was an incorrect picture of MDCPS's financial condition and the state funds needed for fiscal year 2018.

After conducting a thorough inspection of MDCPS's finances, I proceeded carefully to compile an accurate line-item budget for the balance of FY-2018. After comparing expected revenues to committed expenses, we found MDCPS to be approximately \$52 million short of necessary funds to meet its financial commitments. Since that time, I have taken a number of steps.

I immediately alerted the Governor's office, as well as both of you and numerous other legislators about MDCPS's critical financial condition. My staff and I then closely examined every line-item commitment to determine the contracts and other financial commitments we could eliminate without affecting service to foster children and families or jeopardizing MDCPS's requirements in the *Olivia Y* litigation. These efforts reduced our expected deficit to approximately \$47 million. We determined that we could further reduce the expected deficit to approximately \$44 million by (1) maintaining employment at current levels for the remainder of the fiscal year, which allowed us to continue hiring only as funds became available from resignations and terminations of current employees; and (2) delaying until July, 2018, implementation of MDCPS's development of CCWIS, a child-protection software system required by the *Olivia Y* settlement agreement.

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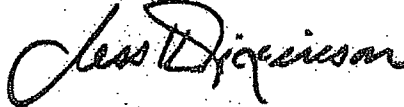
To address the \$44 million expected deficit, the Governor brought together the executive director of MDHS, myself, and members of my staff, in a series of meetings to explore options. Those meetings and discussions resulted in the following solution. The Department of Human Services has agreed to free \$22 million in federal funds from its current obligations. While this shift will take money away from other services, the consensus of views is that the needs of the approximately 6,000 abused and neglected children in MDCPS's custody is the absolute highest priority. The remaining money hinges on the deficit appropriation I now request.

In cooperation with the Department of Human Services, we believe a \$12 million deficit appropriation will allow us to cover the remaining \$22 million by providing the state funds necessary to reach certain match-levels and draw down additional federal funds. I emphasize that these federal funds cannot be accessed without the additional state funds from this requested deficit appropriation.

I regret having to present you with this request for a deficit appropriation, but I assure you that it is necessary to prevent a substantial loss of foster care services and services to the children and to keep MDCPS in compliance with its requirements in the *Olivia Y* litigation.

Both I and my staff are available to you at any time, should you have any questions or need for discussion. Thank you for your consideration of this request.

Sincerely,



Jess H. Dickinson
Commissioner

cc: The Honorable Phil Bryant, Governor
The Honorable Philip Gunn, Speaker of the House
The Honorable Tate Reeves, Lieutenant Governor
Tony M Greer, Director, Legislative Budget Office
John Davis, Executive Director, Mississippi Department of Human Services